



# *International Journal of Research in Finance and Management*

P-ISSN: 2617-5754  
E-ISSN: 2617-5762  
IJRFM 2025; 8(2): 18-23  
[www.allfinancejournal.com](http://www.allfinancejournal.com)  
Received: 18-05-2025  
Accepted: 22-06-2025

**Dr. Kavita**  
Associate Professor,  
(UIET) MDU, Rohtak,  
Haryana, India

**Manju Bala**  
Research Scholar,  
(IMSAR) MDU, Rohtak,  
Haryana, India

## **Customer satisfaction in public and private sector banks in Haryana: A comparative study of SBI and HDFC bank**

**Kavita and Manju Bala**

**DOI:** <https://www.doi.org/10.33545/26175754.2025.v8.i2a.524>

### **Abstract**

The banking industry is currently experiencing a challenging period. The banking sector has been significantly impacted by the government's demonetization policy. This industry contributes significantly to a nation's economic growth, but it faces enormous obstacles because of rising competition, technological advancements, shifting consumer demands, and governmental policies. A bank must meet its customers' needs in this cutthroat and rapidly evolving world. Customers' levels of satisfaction must be closely monitored. The secret to keeping customers around for a longer time is to keep them satisfied. For customer satisfaction and customer retention, banks must develop policies and strategies. Getting new customers is more expensive than keeping existing ones. The banks spent a great deal of time and energy creating policies aimed at satisfying their customers. The purpose of the study was to compare the customer satisfaction scores of SBI with HDFC Bank, a private sector bank (Public Sector Bank). The study will help develop new customer-related regulations as it will offer information on the differences in customer satisfaction levels between banks and the banking industry. The study concentrated on HDFC and SBI banks in Haryana.

**Keyword:** Banking industry, banking sector, HDFC banks, SBI banks, public sector banks, private sector banks, customer satisfaction

### **1. Introduction**

The Indian banking sector is expanding quickly. The growth of the banking industry has been significantly influenced by the Indian government. Since the industry was liberalized, significant changes have occurred. The number of newly established private sector banks increased competition in the banking sector. The operations of banks have undergone a complete transformation due to technological advances. Nowadays, computers are used to run every bank. In addition to operating through branches, banks also use ATMs, mobile banking, and the Internet to transact. Banking has become simpler thanks to RTGS, ECS debit, and ECS credit. The operations of the banks have been improved. They currently offer customers a variety of investment options, insurance options, and other services in addition to accepting deposits and disbursing loans.

Customers greatly benefit from customer care services, which are readily available to them around the clock. Customers can contact the concerned bank at any time and receive information while sitting anywhere. Because all banks offer similar services and goods, there is more competition, which makes it harder for banks to draw in new customers. To satisfy current customers and gain new ones, banks must offer comparable services in unique ways. A happy consumer patronizes the bank more frequently and gives it positive reviews. Customer dissatisfaction damages the bank's reputation by providing unfavorable feedback. Therefore, it is crucial for banks to closely monitor customer satisfaction levels.

### **2. Consumer Satisfaction**

Customer satisfaction is a business's key performance metric. Customer satisfaction is a metric used to assess how satisfied consumers are with banking goods, services, and offerings. Put another way, it assesses how well any industry's goods and services live up to consumer expectations. Customer satisfaction in banks is influenced by a wide range of

**Correspondence Author:**  
**Dr. Kavita**  
Associate Professor,  
(UIET) MDU, Rohtak,  
Haryana, India

criteria, including courteous staff, prompt service, timely service, excellent value, a pleasant environment, accurate invoicing, timely services, good online facilities, competitive pricing, cheap transaction costs, and knowledgeable staff. The customer is satisfied when the service provider meets their expectations; they are not satisfied when they are not. Customer satisfaction has been defined differently by various academics. A customer's view of a service provider is formed via interaction and real use of the service; this opinion is then expressed through the customer's affirmation of happiness or satisfaction with the service supplier. Worded differently, total customer satisfaction refers to the perception that a client has of a service provider following an extended period of involvement. Customer satisfaction is relevant and important. Levels of appreciation will vary from person to person, product to product, and service to service. There may be some discrepancies between what customers expect and how they perceive their experiences with a service, which leaves them dissatisfied. To increase customer happiness, every snippet of the service sector should endeavor to close this disparity. The relationship between consumers' pleasure and expectations for perceived value has been the subject of numerous research (Zeithaml, *et al* 1988) <sup>[14]</sup>. Customer satisfaction is a key indication of client satisfaction and purchase intentions. There are my models for gauging the level of service excellence in terms of quality. Renowned scholars have provided several well-known models, including the Servqual, Servperf, bsq, and e-servqual models. In 1985, Zeithamal, Berry, and Parasuraman presented the renowned servqual model.

### 3. Review of Literature

- Parasuraman, Zeithaml, and Berry (1985) <sup>[13]</sup> created a conceptual model of service quality and identified ten factors that affect it. These include concrete qualities, trustworthiness, dependability, competence, responsiveness, security, access, courtesies, communication, and customer understanding. Later in 1988, they narrowed down the list of ten factors and specified five, including reliability, assurance, tangibleness, empathy, and responsiveness.
- Zeithaml *et al.* (2000) <sup>[15]</sup> state that the customer's emotional variables, the rates charged by the bank, situational aspects associated to banking, such convenience, and the customer's assessment of the quality of the product and services all have an impact on the degree of customer satisfaction.
- Singh and Arora (2011) <sup>[16]</sup> evaluated the degree of customer satisfaction using various service quality parameters, such as employee conduct, infrastructure accessibility, ambiance, knowledge of IT-enabled services, and working hours. It was determined that a small percentage of customers use IT-enabled services due to a lack of infrastructure and inadequate awareness. Customers were complaining about charges and transaction delays, staff at nationalized banks needed training in stress management, public speaking, and customer service, and customers of foreign and private sector banks were dissatisfied with high fees, poor communication, and inaccessibility. They recommended expanding the number of private and foreign bank branches.
- Surabhi Singh and Renu Arora (2011) <sup>[16]</sup>, studied that customers of nationalized banks are dissatisfied with the infrastructure and employee behavior, whereas in the case of private and foreign banks, customers are concerned about high fees, accessibility, and communication.
- Mahal (2012) <sup>[12]</sup> according to his study private sector banks are preferred by the majority of customers because they place an emphasis on developing relationships with their clients and have more modern infrastructure. Compared to banks in the public sector.
- Shanka (2012) <sup>[17]</sup> revealed that customer satisfaction is positively correlated with all service quality dimensions such as empathy, responsiveness, assurance, tangibility, and reliability. Better customer satisfaction results from better service quality, which in turn promotes customer loyalty and commitment. The primary aspect of service quality is empathy.
- Mistry (2013) <sup>[18]</sup> conducted a study to gauge customer satisfaction in public and private banks in Surat, India, and found that the most important variables influencing customers' level of satisfaction are dependability, responsiveness, and assurance. Although less significant, tangibleness and empathy also have an impact on customers' levels of satisfaction.
- Anis Ali1 and L.S. Bisht (2018) <sup>[19]</sup> studied "Customers' satisfaction in public and private sector banks in India: A comparative study", in which they found that in the Indian banking industry, banking customers from Urban and Rural areas were satisfied. A hypothesis is framed that there is no significant difference among the customers from the Urban and Rural areas. However, the behaviors of public sector banks' employees were not supportive in comparison to private sector Banks. There were some infrastructural, tangibles, and ATM-related problems in Public sector Banks. There was a need to provide special training to the Public Banks employees to deal cordially with customers of different jobs, employment, and gender. ATMs of Public Banks should be established at more convenient and easy-reachable places.
- Bhadauriya A. (2022) <sup>[2]</sup> Whether referring to banks in the public or private sectors, discovered a clear correlation between customer satisfaction and service quality. Using the Servqual model, he was able to determine that the dependability and empathy dimensions had a significant influence on customer satisfaction in his research. In terms of tangibility, he also discovered that responders from public sector banks significantly affect consumer satisfaction. Similar findings were made for private sector banks, where customer satisfaction was found to be very statistically significantly impacted by assurance and responsiveness. He also concluded that for any bank to continue operating for a long time and to win over customers, its staff members must have training in their specialized fields, be able to transmit skills, and possess sufficient knowledge.
- Jawaid, S.T., Kawal, *et al.* (2023) <sup>[7]</sup> used the service quality indicators of Assurance, Reliance, Empathy, Tangibility, and Responsiveness to examine the factors that influence both internal and external customer

satisfaction in Pakistani Islamic banks. They concluded that Islamic banks' internal customers—those who own accounts and are employed by the Islamic bank—are fully informed and aware of the situation. Internal clients had a favorable view of the bank's offerings. External clients, on the other hand, who just have bank accounts, are content with Pakistan's Islamic banking services. From the perspective of the external customer model, there is a strong correlation between customer satisfaction and service quality indicators.

#### 4. Research Methodology

The structured questionnaire was split into two sections to gather responses on respondents' expectations and perceptions of banking services in India. Data were collected using a five-point Likert scale, and twenty sets of question statements were arranged into five dimensions (2 each). Thirty respondents from each of the two banks—SBI and HDFC—were personally called in Haryana City and given questionnaires to fill out. Samples were selected by combining cluster sampling and convenience sampling strategies. Because it would be easy to invite bank customers to participate in the study there, they are selected as the respondents.

#### 5. Objectives of the Study

- To ascertain the customers' expectations for bank services in Haryana City's public and private banks.
- To determine consumers' perceptions of service quality

in public and private sector banks.

- To examine and compare the customer service gap between public sector banks and private sector banks with a focus on SBI and HDFC in Haryana City.

#### 6. Data Analysis

**Table 1: Demographic Profile**

Gender	Frequency	Percentage
Male	58	48.3%
Female	62	51.7%
Total	120	100

**Table 2: Demographic Profile**

Age (in years)	Frequency	Percentage
20-30	21	17.5%
31-40	37	30.8%
41-50	33	27.5%
51-60	24	20%
Total		100

**Table 3: Demographic Profile**

Educational Qualification	Frequency	Percentage
Matrix	0	0
12 <sup>th</sup>	08	6.7%
Graduate	64	70%
Post Graduate	28	23.3%
Total	100	100%

**Table 4: Demographic Profile**

Monthly Family Income	Frequency	Percentage
Less than 20000	33	27.5%
20,001 - 30,000	67	56%
30,001 - 40,000	10	8.3%
40,001 - 50,000	09	7.5%
50,001 - 60,000	01	0.83%
Greater than 60,000	0	0
Total	120	100%

**Table 5: Demographic Profile**

Professional Status	Frequency	Percentage
Student	6	5%
Employed	82	68.3%
Business	18	15%
Housewife	3	2.5%
Retired	11	9.1%
Total	120	100%

Source: Primary data

According to Table 1, there were 51.7 percent female responders and 48.3 percent male respondents out of 120

total respondents. It is found that the number of women working in the banking industry is expanding daily. Age-wise, the proportion of persons between the ages of 31 and 40 is higher. Table 3 indicates that the majority of our respondents hold a degree, which is advantageous for the researcher since it facilitates data collection. According to Table 4, the largest percentage of our respondents' monthly income is found in columns 20001-30000. (56%). The majority of respondents are employed, as Table 5 demonstrates.

#### 7. Results and discussions

**Table 6: Level of Service Quality**

Dimension of Service Quality	SBI Bank			HDFC Bank		
	Expectation	Perception	Gap	Expectation	Perception	Gap
Empty	22.71	17.04	-5.31	20.75	19.00	-1.75
Reassurance	23.58	19.21	-4.37	22.02	19.00	-3.02
Approachability	22.66	18.15	-4.51	27.78	22.37	-5.41
Reliability	24.35	21.35	-3.0	29.84	23.08	-6.76
Tangibles	25.74	18.46	-5.25	25.36	24.28	-1.08
Total	119.04	94.21	-22.44	125.75	107.73	18.02

The analysis of Table 6 shows that customers of private banks (HDFC) have higher expectations than those of public sector banks (SBI) when it comes to overall service quality in public and private sector banks in India. Customers of private banks also have a higher perception of the actual service received. Private bank clients were more happy with practical responsiveness and empathy than those in the public sector, despite the high expectations and limited service gap in private-sector banks. Regarding expectation perception and service gap, the only area in which public

sector bank employers outperformed private sector bank employers was assurance. In terms of dependability, the service gaps in both banks are almost identical. But because they met more expectations, the private banks were better. Private banks typically offer more client satisfaction and superior service. The use of big data, artificial intelligence, advanced analytics, and cognitive computing, as well as partnerships between fintech and banking institutions, are just a few of the many emerging fields. These two industries only succeeded in terms of client happiness.

**Table 7: Tangible**

Dimension of Service Quality	SBI Bank			HDFC Bank		
	Expectation	Perception	Gap	Expectation	Perception	Gap
Modern equipment's	6.80	5.56	-1.24	6.82	5.70	-1.12
Visually appealing physical facilities	5.85	4.69	-1.16	3.26	3.16	-0.10
Employers appear well-groomed.	5.84	4.51	-1.33	5.20	4.57	-0.63
Materials related to visual appearance	5.25	3.70	1.55	5.08	4.85	-0.26
Total	23.74	18.46	-5.28	20.36	18.28	-2.08

Table 7 presents a comparative analysis of consumers' expectations, perceptions, and service gaps between public and private sector banks. Private sector banks have a smaller service gap (2.08) than public sector banks (5.28). This clearly shows that banks in the private sector provide better, more concrete services. The commercial sector

outperformed the public sector in every tangible category, including physically beautiful facilities and state-of-the-art equipment technology, etc. This suggests that the visual attractiveness of their services is inferior to that of private banks.

**Table 8: Reliability**

Statements	SBI Bank			HDFC Bank		
	Expectation	Perception	Gap	Expectation	Perception	Gap
Delivered on-time commitments made	5.27	4.74	-0.53	6.02	5.38	-0.64
Genuine concern for resolving customers' issues	6.55	5.30	-1.25	6.23	5.69	-0.54
Suitable service is delivered the first time.	6.34	5.51	-0.83	5.21	4.89	-0.32
Record without errors	7.19	6.77	-0.42	7.38	6.84	-0.54
Total	25.35	22.35	-3.03	24.84	22.08	-2.04

Table 8 demonstrates that in India, the service gap for the reliability dimension is nearly equal between banks from the public and private sectors. According to the survey, public sector banks perform well in terms of timely fulfillment of promises and maintaining error-free records because their service gaps are smaller than those of private sector banks. This might be a result of high expectations placed on private

banks for the timely fulfilment of promises. Private sector banks performed better in terms of how easily they expressed an interest in resolving customer issues and providing accurate service the first time. Overall, private banks' perceived services (22.08) are rated higher than public sector banks (22.35), indicating that the former were providing more dependable services.

**Table 9: Approachability**

Statements	SBI Bank			HDFC Bank		
	Expectation	Perception	Gap	Expectation	Perception	Gap
The bank provides us with the precise time the service will be rendered.	6.51	4.68	-2.13	4.75	4.45	-0.64
Timely assistance	5.56	4.21	-1.35	5.80	4.37	-0.54
Prepared to help clients	6.22	5.87	-0.35	4.87	3.15	-1.72
Never let your schedule prevent you from recording.	4.37	3.68	-0.69	5.36	5.00	-0.36
Total	22.66	18.14	-4.52	20.78	16.97	-3.81

An examination of Table 9 shows that private-sector banks outperform public-sector banks in terms of customer satisfaction and are more responsive. The approachability element, as seen by the preceding table, unequivocally demonstrates that private-sector banks offer superior services to their public-sector counterparts. In private sector

banks, the total difference between anticipation and perception is less than that of the general public, at 3.81. Even if private sector banks have not fully fulfilled all of their customer's expectations, all four of the emphasis components of this customer dimension demonstrate the superiority of private sector banks over public sector banks.



**Table 10: Reassurance**

Statements	SBI Bank			HDFC Bank		
	Expectation	Perception	Gap	Expectation	Perception	Gap
Customers are given confidence by employee behaviour	5.26	4.71	-0.55	5.31	4.29	-1.02
Feel secure in transaction	5.73	3.83	-1.90	6.42	5.06	-1.36
Consistently polite to clients	6.71	5.65	-1.24	5.84	4.11	-1.73
Employees are knowledgeable enough to respond to inquiries from consumers	5.88	5.01	-0.87	5.45	5.05	-0.40
Total	23.58	19.22	-4.36	23.02	18.51	-4.51

Based on the data produced by this investigation, public sector banks outperformed private sector banks concerning servqual's assurance dimension. It has been shown that assurance is the one area in which public sector banks perform better than private sector banks overall (Expectation, perceptions, and service gap). Considering that the private sector's expectations are 23.58, they are higher here. Additionally, the public sector outperformed the private sector in terms of the service gap, with a 4.36 ratio that is lower than a 4.51 ratio. Even if it's broken down

piece by piece, one important factor is the sense of security that consumers get when they transact with banks. According to the following table, there is a smaller service gap in the public sector than in the private sector when it comes to the statement "clients are given confidence by staff behavior." The private sector outperformed the governmental sector in the second and fourth statements. However, there are service gaps in terms of employers' feeling of security and their ability to respond to inquiries.

**Table 11: Empathy**

Statements	SBI Bank			HDFC Bank		
	Expectation	Perception	Gap	Expectation	Perception	Gap
Individualized client service	4.21	3.21	-1.00	5.35	4.04	-1.31
convenient hours of operation	5.93	4.56	-1.37	4.30	2.99	-1.31
Provide individual assistance to clients.	6.81	4.11	-2.70	5.60	4.81	-0.79
Acknowledge each client's particular needs	5.76	4.52	-1.24	4.47	4.79	-1.31
Total	21.71	16.4	-6.31	19.75	15.00	-4.72

Based on an analysis of the data in Table 11, private-sector bank workers performed comparably better in understanding client wants and requirements than public-sector bank personnel. As seen in the above table, private sector banks have a smaller service gap—4.72—than public sector banks. Public banks and private banks differ less on the single phrase, "Acknowledge each client's demands." Private-sector banks have benefited their customers more than public-sector banks in every way and from every aspect, according to an element-by-element analysis.

## 8. Conclusion and Discussions

Customer expectations stances and service gaps are preferred for private sector banks than for public sector banks, apart from maybe the assurance aspects, where public sector banks perform better. Customers' expectations indicate that they think private-sector banks can provide a higher level of satisfaction than public-sector banks. Customers are more satisfied with their service since it differs less from public sector banks in terms of physical characteristics, responsiveness, and empathy. Comparatively less of a service gap exists between public and private banks when it comes to assurance which shows that clients in Haryana city have faith in public banks. The responsiveness and empathy components of the service gap are very high, which shows a lack of employee responsiveness, especially in terms of offering fast services. The public sector banks must do all possible to increase employee responsiveness, as it is one of their customers' top concerns.

The researchers came to the unambiguous conclusion that, except for reassurance, which is a crucial Servqual model factor, the private sector outperformed the public sector in

every category. Public sector banks must place greater emphasis on other factors as well. Many new areas are developing these days, such as testing and applications for cloud computing, the emergence of new financial competitors, the identification and training of new talent, the use of APIs and open banking, investments in innovation initiatives, etc. Even though private sector banks normally offer superior services than public sector banks, they should nonetheless move swiftly with great caution because public sector banks in India are rapidly becoming more commercialized and capturing market share. The expectations of customers are increasing rapidly, and banks could be doing more to meet these needs.

## 9. References

1. Abu Bakar Siddique, Rahman M, Karim T, Hossain M, Alam S, Kabir H, *et al.* Customers' perception of the determinants of service quality of foreign and domestic banks: An empirical study on Bangladesh. *J. Bus. Technol. (Dhaka)*. 2011;6(1):1-20.
2. Bhadauriya A. Customer satisfaction in public and private sector banks: A case study of NCR. *Int. J. Health Sci.* 2022;6(S5):2897-2906.
3. Bide MG. Information technology in banks. *IBA Bull.* 1997;68(4):149-152.
4. Bitner MJ. Evaluating service encounters: The effects of physical surroundings and employee responses. *J. Mark.* 1990;54(2):69-82.
5. Blanchard RF, Galloway RL. Quality in retail banking. *Int. J. Serv. Ind. Manag.* 1994;5(4):5-23.
6. Gupta D, Tomar VS. Comparative study of customer friendly services of selected private and public sectors

- in India: A case study of ICICI Bank vs SBI. J. Srikrishna Res. Educ. Consort. 2011;1(9):1-15.
7. Jawaid ST, Siddiqui AH, Kawal R, Fatima H. Islamic banking and customer satisfaction in Pakistan: Evidence from internal and external customers. J. Islam. Mark. 2023;14(2):435-464.
  8. Khoderi H, Farzanegan MR, Alizadeh M, Mohammadi S, Bahrami F, Ahmadi K, *et al.* The comparison of private state banks and other banks in Iran. Eur. J. Soc. Sci. 2012;27(4):521-530.
  9. Lewin K. Principles of topological psychology. New York: McGraw Hill; 1936. 210 p.
  10. Mittal RK, Dhingra S. Assessing the impact of computerization on productivity and profitability of Indian banks. Delhi Bus. Rev. 2007;8(1):1-12.
  11. Bedi M. An integrated framework for service quality, customer satisfaction and behavioral responses in Indian banking industry: A comparison of public and private sector banks. J. Serv. Res. 2010;10(1):157-172.
  12. Virk N, Mahal PK. Customer satisfaction: A comparative analysis of public and private sector banks in India. Inf. Knowl. Manag. 2012;2(3):35-42.
  13. Parasuraman A, Zeithaml VA, Berry LL. A conceptual model of service quality and its implications for future research. J. Mark. 1985;49:41-50.
  14. Parasuraman A, Zeithaml VA, Berry LL. Servqual: A multiple-item scale for measuring consumer perc. Journal of retailing. 1988 Apr 1;64(1):12.
  15. Zeithaml VA. Service quality, profitability, and the economic worth of customers: what we know and what we need to learn. Journal of the academy of marketing science. 2000 Dec;28:67-85.
  16. Singh K, Arora S. Removal of synthetic textile dyes from wastewaters: a critical review on present treatment technologies. Critical reviews in environmental science and technology. 2011 Apr 6;41(9):807-78.
  17. Shanka MS. Bank service quality, customer satisfaction and loyalty in Ethiopian banking sector. Journal of Business Administration and Management Sciences Research. 2012 Dec;1(1):001-9.
  18. Mistry M, Gillis J, Pavlidis P. Genome-wide expression profiling of schizophrenia using a large combined cohort. Molecular psychiatry. 2013 Feb;18(2):215-25.
  19. Ali A, Bisht LS. Customers' satisfaction in public and private sector banks in India: A comparative study. J Fin Mark. 2018;2(3):27-33. J Fin Mark 2018 Volume 2 Issue 3. 2018;28.